

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6722

BILL NUMBER: HB 1201

NOTE PREPARED: Feb 24, 2009

BILL AMENDED: Feb 23, 2009

SUBJECT: Senior Discount Card.

FIRST AUTHOR: Rep. Bischoff

FIRST SPONSOR: Sen. Becker

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Golden Hoosier Discount Card Program within the Division of Aging. The bill allows an Indiana resident who is at least 60 years of age to obtain a Golden Hoosier Discount Card that entitles the cardholder to discounts from participating organizations. This bill also requires the Division of Aging to work with private businesses and nonprofit organizations to obtain grants and other funding to implement the Golden Hoosier Discount Card Program.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) *Discount Card:* This bill may have no fiscal impact if the costs of establishing the Golden Hoosier Discount Card Program were provided exclusively from grant funding.

Startup costs for the Golden Hoosier Discount Card Program are estimated to be \$3,076,000. This estimate is based on the experiences of the state of Ohio in implementing and administering the Golden Buckeye Program. The program would cost approximately \$150,000 annually thereafter to maintain it. The estimated expenditures to establish the Golden Hoosier Discount Card Program would be reduced if the Division of Aging obtains grant funding from private businesses and nonprofit organizations or funds the program exclusively from grant funding.

DOA staff workload will still increase (1) to negotiate the terms of the Golden Hoosier Discount Card Program with Indiana businesses and (2) to collaborate with private businesses and nonprofit organizations to obtain grant financing for the program.

Background: The Golden Buckeye Program was implemented in 1976 before businesses and the AARP began to routinely offer senior discount programs. The Division of Aging (DOA) anticipates developing a program similar to the Golden Buckeye Program. Based on Ohio's experience, it is estimated that as many as 25,000 businesses may participate in the program. It is also estimated that approximately 1,158,000 individuals would be eligible to receive the Discount Card.

The DOA has estimated that 18 additional employees would be needed to implement this program. Two positions at the Division would be responsible for managing and coordinating the program. Additionally, one position would be located in each of the 16 Area Agencies on Aging. These employees would be responsible for contacting businesses to participate in the program and helping to determine the discount, as well as taking applications and issuing the Golden Hoosier Discount Card. The cost of salaries, fringe benefits, and indirect costs for these employees is estimated to be approximately \$850,000 for one year.

Following the implementation phase, the DOA reports that it would need one staff, located at the Division, to maintain the program. The estimated salary for this employee is \$30,000.

Public relations, marketing, and a media campaign are estimated to cost \$515,000 initially, and approximately \$100,000 annually following implementation. A high-end estimate for developing and producing both the Discount Card and the decal that would be distributed to participating businesses is estimated to cost \$1,711,000. However, this estimate is based on the assumption that every eligible person will apply for the card; the likelihood of this occurring is minimal. Approximately 84,000 individuals will become age-eligible annually following implementation.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Aging.

Local Agencies Affected:

Information Sources: U.S. Census Bureau; Indiana Business Research Center, <http://www.ibrc.indiana.edu/>; Jessaca Turner Stults, Family and Social Services Administration; Division of Aging; Kaiser State Health Facts.

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